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30 August 1949

MEMORANDUM

The Romsa oil refinery at Fiume, Yugoslavia, was reported in the press to have been damaged the night of 22 August by an explosion of undetermined origin, possibly sabotage. Two days later, another fire was reported at the same place. Although the Yugoslav Government has admitted that a fire occurred at the storage facilities of the Romsa refinery, where slight damage occurred, no appreciable damage was done to the principal refinery plant.

Fire bombs, similar to those used by the Germans during the war, were discovered in the vicinity of the refinery, and the whole affair looks strongly like a sabotage job which did not come off.

The Romsa refinery, which processes about half the crude oil in Yugoslavia, is considered the major oil processing facility available to Yugoslavia. In view of the present short supply of oil products in Yugoslavia, the destruction of this plant would constitute a major blow to the operation of the Yugoslav economy. If production at the Romsa plant were substantially reduced for any length of time, Tito would be forced to seek outside sources for refined petroleum products until the Romsa facilities could be repaired or replaced. Until such time as Tito could locate sources to replace the production lost by damage to the Romsa plant, Tito's political and military capabilities for resisting Kremlin pressure would be seriously impaired.

Signed & dispatched 8/30/49 by RAR

R. H. HILLENKOTTER
Rear Admiral, USN
Director of Central
Intelligence

D: RHH/gc

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